

## Message Text

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PAGE 01 TEHRAN 04407 180849Z  
ACTION NEA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00  
COME-00 EPG-02 DODE-00 EB-07 FEAE-00 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
USIA-06 OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07  
IGA-02 MC-02 /103 W  
-----181224Z 057930 /40

R 180746Z MAY 77  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 2661  
INFO SECDEF WASHDC

C O N F I D E N T I A L TEHRAN 4407

E.O. 11652: GDS  
TAGS: BEXP ENRG IR  
SUBJ: OIL-FOR-ARMS BARTER: GENERAL DYNAMICS

REF TEHRAN 3614

1. WE REPORTED IN PARA 4 OF REFTTEL THAT GENERAL DYNAMICS, DESPITE THE ASSURANCES WHICH WERE REPORTEDLY GIVEN BY THE SHAH TO BOARD CHAIRMAN LEWIS IN MARCH, HAD BEEN INFORMED AT LOWER LEVELS THAT IRAN WOULD NOT PROVIDE OIL PRICE DISCOUNTS. DURING THE INTERVENING WEEKS, HOWEVER, G.D. OFFICIALS HAVE CONTINUED TO EXPLORE OPTIONS-- APPARENTLY WITH SOME SUCCESS.

2. EMBASSY WAS RECENTLY TOLD BY G.D. THAT THEY HAVE WHAT THEY CONSIDER TO BE A FIRM OFFER FOR A 22 CENT/BBL DISCOUNT. HOWEVER, G.D. IS STILL NOT OPTIMISTIC AND MAINTAIN THAT THEY NEED A DISCOUNT OF SOMETHING IN EXCESS OF 30 CENTS/BBL IN ORDER TO MAKE A BARTER DEAL FEASIBLE. G.D. JUSTIFIES ITS POSITION BY POINTING OUT THAT THERE ARE SIGNIFICANT QUANTITIES OF IRANIAN CRUDE IN THE MARKET WHICH IS AVAILABLE AS PART OF PACKAGE DEALS INVOLVING A MIX OF  
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SAUDI AND IRANIAN CRUDE. ACCORDING TO G.D. (AND OTHER OIL INDUSTRY AND PRESS SOURCES) THE IRANIAN CRUDE SOLD IN MOST OF THESE PACKAGE DEALS HAS AN EFFECTIVE DISCOUNT OF ABOUT 35 CENTS/BBL.  
MIKLOS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ARMS, PETROLEUM, BARTER TRADE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 18-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977TEHRAN04407  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770176-1112  
**Format:** TEL  
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**Handling Restrictions:** n/a  
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**Litigation History:**  
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**Message ID:** 9f4f5e90-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 TEHRAN 3614  
**Retention:** 0  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 2461923  
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**Status:** NATIVE  
**Subject:** OIL-FOR-ARMS BARTER: GENERAL DYNAMICS  
**TAGS:** BEXP, ENRG, IR  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/9f4f5e90-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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